

What has this country come to?

Twelve years of past policies supporting failed financial institutions and failed military hardware systems and failed trickle-down economic theories has led us from the wealthiest nation in the world to become potentially one of the poorest—with no prospect for recovery unless we stop some of the crazy changes that are taking place.

So, are we going to finally get our fiscal house in order? Balance the budget? Without touching Social Security? And without cutting a dime from defense spending?

Sound familiar?

It should. It is the 1982 Economic Reform Act of 1995.

A massive tax cut for our wealthiest campaign contributors paid for by eliminating the one tax break for the poor working stiff that even George Bush thought was a fantastic idea.

To sacrifice the earned income tax credit—the only possible reason the father of two could even consider taking a job at minimum wage rather than going on welfare—is absolutely ludicrous.

As my friend from Ohio keeps saying—beam me up.

GENERAL LEAVE

Mr. CLAY. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore (Mr. CAMP). Is there objection to the request of the gentleman from Missouri?

There was no objection.

THE BUDGET AND THE CONTRACT WITH AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. CUNNINGHAM] is recognized for 60 minutes as the designee of the majority leader.

Mr. CUNNINGHAM. Mr. Speaker, I should be at a dinner tonight, but I thought it more important to set the record straight. First of all I heard tonight that Social Security was going to be touched. Social Security is not touched, neither in the budget nor in the appropriation or the reconciliation package.

We have heard the rhetoric about the contract and how bad it was. But yet, the American people have embraced the Contract With America. And I have also heard tonight that the tax cuts are only for the wealthy.

Let me state the only way that we can beat rhetoric and/or basic lies is with facts, and I would like to present some of those facts, Mr. Speaker. And I will let you decide what is the truth and what is not.

In our package we gave the family tax credit for each child of \$500. Is that for the rich? We have families from all walks of life with children. And the basic argument is do you want those dollars to go to the American people or do you want those dollars to be spent by the Government?

I would also ask you if an IRA for \$2,000, that each family can save for their future, tax free, is for the rich? No, it is not.

I would also ask you in our contract we provide an IRA for a spouse, either a mother or a father at home who was not even working. You would be able to set aside \$4,000 each year for a child. You can provide for a lot of education after 17 or 18 years on an interest-free loan.

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In our contract, we did away with the marriage penalty, to encourage families to come together, that if you filed jointly, that you have a tax incentive. We encourage that. For too many years we have penalized for people becoming families and filing that way.

In the Clinton tax-and-spend package in the early 1990's, he increased the Social Security tax on senior citizens. We have done away with that Social Security tax.

Capital gains reduction, Jack Kemp in the Wall Street Journal and the Union Tribune talks about retirement accounts, and that each American, whether you have a car or sell a home or what, that is real income and that is called capital gains. We took the fees and the items in which someone retires, \$60,000 to \$750,000, and everything that you own that you can pass on to your children, and yet the Clinton Democrats wanted to take that from 600 to 200,000 and then tax you at a very high rate. That is a redistribution of the wealth, Mr. Speaker.

The leadership's reply, the liberal leadership's reply, is an attempt to ignite an ugly class warfare system, and I repeat the facts, a \$500 child break an IRA in which you can save for the future tax free, an IRA for a spouse at home tax free, savings, marriage penalty, reduction of Social Security tax. Those are not taxes for the rich.

Seventy-eight percent of the Contract With America's tax package goes to those that earn \$75,000 or less. That is not the rich, Mr. Speaker.

Mr. Speaker, only 33 House Republicans voted for the George Bush tax increase. Not a single Republican, voted for the Clinton tax-and-spend package. As a matter of fact, it was so bad that they had to twist arms for 45 minutes and pass it by one vote when they were in the majority, and we only had 218 Members.

I look at what they have left us. Look at where each child today will owe \$187,000 in tax liability. That is not a future that I want to leave to my children. We used to build a farm and pass it on to our children. Today, we are selling that farm and giving our children a mortgage.

I look at what the President said when he was going to have a \$500 billion deficit reduction package. It was rhetoric. If you read in the recent Wall Street Journal, there was none, and President Clinton and the promise that he would reduce the deficit each year, in the budget that he just gave us be-

fore Congress, that budget increases the deficit by \$300 billion a year. That is wrong, and that is for each of the next 5 years.

We take a look at the status of this country, Medicare is starting to go bankrupt this year. His own trustees' report of the Medicare account, Alice Rivlin, special adviser in the budget to the President, has started that Medicare will go bankrupt, and yet the other side of the aisle and the President are not engaging that issue, because there is a 1996 election.

The American people, Mr. Speaker, expect leadership. They want the President to take on and save Medicare. They want him to balance the budget, and they want welfare reform. But yet because of the 1996 election, there is no leadership. America is looking for that leadership, Mr. Speaker.

Look at each child born in 1995 again; \$187,000? Do you want to leave that? We are spending nearly \$1 billion a day on just the interest of the debt. What could we do in this country with \$365 billion a year? Think about the other side of the aisle when they said we are hurting children. We can do a lot in education and law enforcement and the real things that we need to do with \$365 billion a year. That again is just the interest, just the interest, and that interest is not going into U.S. banks, Mr. Speaker. It is going into foreign countries that hold those notes and receive American interest. That is wrong Mr. Speaker.

I look in just a few years ago, take a person that earns \$20,000 a year. Let us say during the year they intend \$25,000, and they have only made \$20,000. Well, if they do not pay off the \$5,000, they will have to pay the interest on that \$5,000, and if they do not pay it the following year and they also increase sending to maybe \$30,000 or \$35,000 or \$40,000, then they have to pay the interest on that. In just a few short years, they will owe \$100,000, and they only make \$25,000. That is the status of our Government, and that is the status quo of the liberal leadership and class warfare, and that is why our contract and the tax package is important, Mr. Speaker.

They talk about cruelty to education. Today because of the Federal Washington Bureaucracy, we only get 23 cents out of every dollar into the classroom. We had the superintendent of schools for DC schools clamoring because he has got 40-year-old classrooms. They want fiber-optics. They want computers in the classrooms. But where are the dollars going? What is cruel is this organization, this bureaucracy, is eating up all of the dollars. We want to block grant it and focus the money down to where we need it in the classroom. We need fiber-optics in classrooms. We need those televisions. But they are going to the Washington bureaucrats.

Mr. Speaker, the American people told me first when I was elected reduce